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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS, TAIWAN'S
POLITICAL SITUATION

¶1. Summary: Taiwan's major Chinese-language dailies gave considerable coverage August 23 to an announcement by former DPP Chairman Shih Ming-teh Tuesday that he has reached his target of collecting NT\$100 million [approximately US\$3.1 million] in donations in support of his campaign to oust President Chen Shui-bian. News coverage also focused on the many attacks against Shih's planned movement and his past behavior; and the KMT's party assets report, which is scheduled to be released today. The pro-unification "United Daily News" ran a front-page banner headline that read "[Campaign to] Oust Bian Reaches over NT\$100 Million, Political Situation Tense." The pro-status quo "China Times," however, ran a banner headline on page four that said "Judging That United States Has Not [Moved to] Oust Him, Bian: Scandals Will Not Scorch Me, Why Step Down?"

¶2. In terms of editorials and commentaries, an editorial in the pro-independence "Liberty Times," Taiwan's biggest daily, discussed China's strategy of "joining hands with the United States to restrain Taiwan," thereby "using economics to push for unification." The article criticized many American officials for only paying attention to the interests of U.S. businesses in Taiwan, but overlooking the United States' long-term interests and security. With regard to Shih Ming-teh's campaign to oust President Chen, a "China Times" editorial urged the ruling DPP to reflect on its role and think about its future now. An editorial in the limited-circulation, conservative, pro-unification, English-language "China Post" said Shih and his fellow organizers must build up popular pressure so strong and so powerful that it would leave Chen no choice but to resign. End summary.

¶3. U.S.-China-Taiwan Relations

"Strictly Guard against Strategy of 'Using Economics to Push Unification' by Means of 'Joining Hands with the United States to Restrain the Island'"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized (8/23):

"Following half a century's training and experience, China has come to realize that the shortest distance to 'restraining Taiwan' is not a direct line, but through the United States; that is, China has to expand its battlefield from Beijing and Taipei to Washington, and achieve the goal of 'restraining Taiwan' via the United States. China's strategy of 'joining hands with the United States to restrain Taiwan' has worked successfully until now. The Taiwan people should still have a fresh memory of the U.S. attitude during the periods when Taiwan's held its 'defensive referendum' in 2004 and when it 'ceased the functions of the National Unification Council' last year [sic]. Over these past few years, the pro-China

powers in Taiwan also have gradually sensed that the most effective way to carry out direct transportation across the Taiwan Strait, to have Taiwan banks open their branch offices on the mainland, and to remove the island's restrictions on investments in China is to go through U.S. businesses, which will exert pressure on Taiwan via the U.S. government. ...

"The pro-China powers failed to get what they wanted at the Conference on Sustaining Taiwan's Economic Development, but they did not give up hope. On August [sic] 13, former AIT Taipei Director Douglas Paal took the initiative in slashing at Taiwan's 'closed-door policy' at a public speech he made at the U.S.-based Brookings Institution. Incumbent AIT Director Stephen Young also followed suit and elaborated in his speech at the 'ROC-USA Business Council' that in order to seek American businesses' support for Taiwan signing a free trade agreement (FTA) with the United States, Taiwan must first remove its restrictions on cross-Strait trade, economics, investments and transportation. It seems that to meet the interests of U.S. businesses in Taiwan, these U.S. firms have joined Taiwan businessmen in China in using the FTA to threaten and force Taiwan to accept direct transportation and to open up to China, which will endanger Taiwan's sovereignty. It seems obvious that many American officials only pay attention to the interests of U.S. businesses in Taiwan and overlook the United States' long-term interests and security. They have never contemplated the seriousness of how the United States is going to defend Taiwan against China's military threats should the island move toward unification some day because of economic integration.

"But in the meantime, we must ask ourselves why U.S. government officials would accept the views of U.S. businesses in Taiwan without thinking? To be honest, we have absolutely no right to blame them, because the Taiwan government also holds the same position as that of AIT's in terms of cross-Strait trade and economics. ... What AIT officials in Taiwan heard and saw day and night were the appeals of the American businesses, Taiwan investors, and pro-unification media outlets to push for westbound direct transportation, and the Taiwan officials, who support opening and

direct transportation but flinch from doing so all the time.

"The situation in Washington D.C. is more serious. The Taiwan representative dispatched by the ruling DPP government to Washington D.C. is a person whose political stance and ideology are those of the pan-Blue camp, which advocates westbound [investments]. As a result, the messages he sent to U.S. officials directly or indirectly are also of the pan-Blue perspective. The trade and economic delegations organized by the Ministry of Economic Affairs and other government agencies alike were all composed of those people who uphold westbound investment. [Given such a situation,] which has lasted for six years, it would be very difficult for U.S. State Department officials not to 'tilt toward China to restrain Taiwan. ...'"

14. Taiwan's Political Situation

A) "The Crisis Thatr the DPP Should Deal with Is by No Means Shih Ming-teh's Personal Morality"

The pro-status quo "China Times" [circulation: 400,000] editorialized (8/23):

"The 'one million people to oust Bian' campaign' initiated by Shih Ming-teh has collected as much money as it expected. Even though there may not be exactly one million donors, it nonetheless represents remarkable mass power. Both President Chen and the DPP must never underestimate such public resentment. Since the public who are discontented with Bian have gathered, and the razor-sharp barricades that are supposed to suppress riots are ready, it seems that both sides are ready to fight, and confrontation is imminent. Under Shih's strong-willed leadership, it is obvious that such a large-scale mass movement is ready to go and will not stop until it attains its goal. But still, there are many unpredictable elements in a long-term mass movement, and different variables may produce unpredictable results. There are still several days before the activity to oust Bian will start, and now is perhaps the best opportunity for the ruling authorities to reflect on and review themselves. ..."

B) "'Depose-Chen' Movement Must Win Wider Support"

The conservative, pro-unification, English-language "China Post"
[circulation: 30,000] editorialized (8/23):

"The 'one million people to oust President Chen Shui-bian' campaign has continued to gain warm support from all walks of life since its launch a week ago. Yet the success in achieving this goal will depend on whether the movement can continue to gather momentum in the weeks ahead and how well its organizers stage their protests. ... Still, for the movement to succeed in ousting the scandal-plagued leader, Shih and his fellow organizers must build a popular pressure so strong and so powerful that would leave Chen no choice but to resign by mobilizing much wider public backing for their cause. ... True, seeking to unseat the president through 'people power' can cause political turmoil and endanger stability. But history proves that stability is often a price that a society must pay in pursuit of greater reform and progress. ..."

YOUNG